

## YOUTH ON EMPLOYMENT AND JOB CREATION IN AFRICAN COUNTRIES: OPPORTUNITIES, CHALLENGES, CHARACTERISTICS DETERMINANTS AND PERFORMANCE OF SELF-EMPLOYMENT AMONG THE YOUTH IN AFRICAN COUNTRIES

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### Abstract

*This paper represents the self-employment among young people in Uganda and we want to understand the qualities, reasons, difficulties, and how it is done. The researchers used information from a survey called the school-to-work transition survey that was done by the Uganda Bureau of Statistics in 2015. In the study, they used two different ways to analyze the information: descriptive statistics and double and multivariate probit models. The results showed that a lot of young people in Uganda work for themselves. In addition, it was found out that many of these young people were very poor and only had a basic education or less. The study found certain factors that influence young people's decision to work for themselves. These factors that influenced something were age, how many children a person has, how much money they have, how educated they are, how much they want to earn more money, and if they can have flexible work hours. The study showed that most young entrepreneurs used their own money or money from their families to start their businesses instead of getting loans from banks. The study also pointed out the difficulties experienced by young people who work for themselves. The biggest problems people talked about were not having enough money, and having to compete with others in the market. These problems made it really hard for young business owners. The study found that being self-employed did not always result in making a lot of money for young people in Uganda. About 2029% of young people who work for themselves did not make money from their own businesses. Additionally, a large percentage (78. 83%) of young individuals who work for themselves were living in poverty.*

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*This information tells us about the situation of young people who are self-employed in Uganda. It shows that they face difficulties and need specific help to improve their chances of success in the economy.*

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## 1. INTRODUCTION

Being your own boss and starting a business are becoming more important for a country's economy to grow. This is because they make the country richer and improve people's lives. Being your own boss and starting a business make the economy grow. This is because it brings new ideas, increases production, creates new jobs and helps to make more money. This benefits everyone in the community. Self-employment means earning money by working for yourself instead of getting paid by someone else. You take care of everything and take risks to make money. 78.21% of all jobs in Uganda in 2020 were done by people who work for themselves, says a report from the World Bank. In Uganda, most people work for themselves because it's common in poorer countries. Around one-fifth of all people in Uganda are between 18 and 30 years old, according to information from the Uganda Bureau of Statistics in 2014. More young people didn't have jobs in 2017/18 compared to the year before in Uganda. These numbers increase a lot if we count the young people who have a job but it's not enough or doesn't match their skills. Magelah and Ntambirweki-Karugonjo (2014) say that many young people in Uganda don't have jobs. Around 64% to 70% of them are unemployed. Every year, about 400,000 young people start looking for work, but there are only around 9,000 jobs available. So, they have to compete with each other to get a job. In Uganda, most of the people who don't have jobs are young people. They make up 64% of all the people who don't have jobs and are looking for work. This is happening because there are not enough jobs available for all the young people in Uganda, both in government and private companies. More and more young people are choosing to work for themselves because it's one of the few good choices available to them. The Ugandan government knows many young people don't have jobs, so they're helping them start their own businesses. Some programs that help young people start their own businesses are the Youth venture capital fund, the Graduate venture capital venture fund, Skilling Uganda, and the Youth opportunities programmed. Young people in Uganda may need to start their own businesses to deal with the problem of not being able to find work. Kingdom and his team also did something similar. In 2006, it was discovered that African job markets cannot provide high paying jobs which caused more people to be unemployed or work for themselves. However, there are different things that affect how likely someone is to work for themselves, including their age, how they think and feel, and how much money they make. There are many things that can affect a person's financial choices. These include things like how old they are, their gender, if they're married and have kids, their family history, how willing they are to take risks, their health, how much money they have, how much education they've had, if they can easily get money when they need it, if they're trying to make money, and whether or not they want to be independent. The different results found by studies may be because each study was done in a different country, or used different data or methods. So, this research looked at young people in Uganda who work for themselves to see what makes them different and what factors influence them. More and more young people in Uganda are working for themselves, but we don't know much about how well they're doing, what they're like, or why they chose to be self-employed. This research examines how becoming their own boss can help young people in Uganda find jobs and lower unemployment. This studies young people who work for themselves. It looks at things like how well they do and what factors influence their success. We need to help young people find work because they are often without jobs, but they are important for our country's future. This study had three questions: (1) What makes young people in Uganda choose to work for themselves. (2) What does the typical self-employed youth in Uganda look like. (3) Where do these young people get money to start their businesses. (iv) Self-employed young people face difficulties and obstacles while working on their own. (v) Self-employed young people have different financial outcomes compared to those who work for someone else and receive a salary.

There hasn't been enough research on young people who work for themselves. The few studies that exist are small and don't cover everything. Blattman and his team studied a program in Northern Uganda that helped young poor and unemployed people become self-employed. The study showed that the youth program helped young people earn more money and have more valuable things like property or equipment. This study has a big problem because it only looks at a few young people who work for themselves in Uganda, and doesn't tell us everything about why they decided to do that. It doesn't apply to all of Uganda. It's important to learn more about young people so that the government and organizations can focus on helping those who work for themselves to be more successful. Making sure that people can keep their jobs for a long time. The aim of this study is to learn about young people who work for themselves and figure out what things influence their decision to do so.

This study is special for three important reasons. Not many studies have looked at young people working for themselves in Uganda, especially in a poor country. This study looks at information about how students in Uganda transition from school to work. It uses data that has not been looked at before and was collected in 2015 from 88 districts in Uganda. To understand better, the research uses a specific way of analyzing data called the Multivariate probit model. This tool helps guess the outcomes of many related questions that have only two possible answers. We think a certain way of studying can help find out why people become self-employed. This way of studying considers how self-employment is related to other types of work people do. We used a mathematical model called Multivariate Probit to study three options: working for oneself, working for someone else, or not working at all. The rest of the paper is divided into different parts. Section 2 talks about what other people have studied about this topic. Section 3 describes how the research was done. Section 4 shows and talks about what was found in the study. Finally, section 5 summarizes everything and explains how it can be useful for making decisions.

Many things affect why people choose to work for themselves, so people who work for themselves are very different. This text talks about what makes people decide to work for themselves in different situations. Many studies look at self-employment problems in wealthy nations.

We don't have a clear answer yet about whether education helps people become self-employed or not. Tamvada (2010) says that education helps people learn more things and find new work opportunities. However, it also means that people who have been to school may miss out on the chance to work for themselves. When people make more money on average, they usually make more money from having a job than from starting their own business. This means that people who are educated will eventually choose to work for someone else and get paid instead of working for themselves (Van der Sluis et al., 2005). This could mean that education can make it harder to become your own boss. Van der Sluis and their colleagues. People who have gone to school for longer are more likely to have a job where they get paid. Blanch flower (2000) and Taylor (1996) say that education can help people be more successful when working for themselves. In America, when people go to school, they are more likely to work for themselves instead of for someone else. Getting educated can help you run your own business better, because you'll learn important things and skills you need to be successful. However, some studies have shown that education does not really make a difference in the likelihood of someone getting involved in something. Working for yourself. Blanch flower and Meyer (1994) discovered that getting more education didn't make a difference to whether someone in Austria started their own business. The connection between education might be shaped like the letter U. Blanch flower (2000) found that people with less education are more likely to work for themselves, but other evidence shows that people with more education also have a good chance.

One more thing that affects if someone works for themselves is how much money they have. Rich people are more likely to start their businesses because they have more money to fall back on if it doesn't work out. Rich people can use their money to start a business, and they can also borrow money easily. Moreover, according to Carroll (2000), rich people are more willing to take risks. Rich people are more likely to start their own business than poor people. Dunn, Holtz-Eakin, and Johansson discovered that having money makes it more likely for someone to work for themselves. This means that not having enough money can make it hard for businesses to grow, and also hard for people to work for themselves. Blanch flower and

Oswald (1998) found that people are more likely to become self-employed if they inherit money or property.

Literature shows that as people get older, they are more likely to work for themselves and be successful at it. As people get older, they usually work to support their household expenses. In simpler terms, it takes time and money to start your own business and become successful at it. Because of this, most people start their own business when they are older and have more experience and savings. The human-capital theory says that older people may not want to start their own businesses because they can earn more money by working for someone else as they get older.

Men are more likely to work for themselves than women. This has been shown in several studies. This could mean that guys are more willing to take risks, like starting their own businesses. This means that often, women like having a job where they get paid regularly and know how much they will earn. This is because they don't like taking risks. Women prefer self-employment more than men because it is similar to working fewer hours or not having a job. Additionally, (Evans and Leighton, 1989) discovered that men and women are becoming more equal in how much they own their own businesses. This means that people who are married are more likely to work for themselves than people who are not married. This may mean that people who are married have more help from their families, which lowers the risk of starting a business on their own. Married people may have more kids and more family duties, so they might not want to start their own business and take risks.

Your family background may affect if you decide to work for yourself. Many people tend to choose the same job as their parents. It means that people who have parents who work for themselves are more likely to work for themselves too. Nguyen (2018) discovered that people whose parents are self-employed are more likely to want to start their own business. Moreover, a study by Dunn and Holtz-Eakin (2000) showed that if your parents have experience running their own business, you are more likely to also become a self-employed person.

Making money is a big reason why people work for themselves. Taylor (1996) discovered that if people thought they would earn more by starting their own business instead of working for someone else, they were more likely to choose self-employment. Destre and Henrard (2004) agree that how much money you can make is the most important thing that affects the job you choose. Taylor (1996) discovered that wanting independence increases the chances of starting your own business. Blanch flower (2000) discovered that people who work for themselves are happier with their job than those who are paid to work for someone else.

People have different opinions on how not having a job affects someone starting their own business. Dawson and others. In 2009, some people guessed that when not as many people have jobs, the self-employed might struggle to sell their products and services. This could make it more likely for them to fail. This means that when someone is not employed, it can make it harder for them to start their own business. The research done by Blanch flower in 2000 and Blanch flower and Meyer in 1994 agree with this idea. Sometimes people become self-employed because they have no other choice. They may not be able to find a job, so they start their own business to survive.

Carrasco (1999) says that when people are poor and can't find a job, it is better for them to work for themselves instead of working for someone else for a wage. This means that when someone doesn't have a job, it may encourage them to start their own business. To agree with this idea, Dawson and others. In 2009, it was discovered that many people in the UK became self-employed because they lost their previous jobs and couldn't find any other jobs that paid them. Carrasco (1999) discovered that if someone doesn't have a job, they are more likely to start their own business. However, they also have a higher chance of quitting their business and going back to being unemployed.

Blanch flower and Oswald (1998) discovered that one of the biggest challenges of being self-employed was not having enough money to invest. Moreno, Evans and Jovanovic (1989) said that if you don't have enough money to start a business and enough money to keep it running, it can be difficult to work for yourself.



Also, Holtz-Eakin and others. In 1994, it was found that a bigger inheritance makes it more likely for someone to become an entrepreneur. This tells us that having enough money can be an important factor in starting a business. Blanch flower and Oswald (1998) found that people usually use their own savings or money from their family to start a business, and not get a loan from a bank. The researchers used two methods (binary probit regression and multivariate probit models) in their study. These methods help to understand relationships between different variables in economics.

Find out what is making young people in Uganda start their own businesses. The Binary probit regression model looks at how a binary result (yes or no) is affected by one or more reasons (X). This study is looking at whether people choose to work for themselves. The thing they're measuring is called "y". If someone works for themselves, their y value is 1. If not, it's 0. The other factors can be any kind of number.

Binary regression is a way of predicting outcomes where there are only two possible results.

$$y_i^* = X\beta + \epsilon \quad (1)$$

$$y_i = \begin{cases} 1 & \text{if } y_i^* > 0 \\ 0 & \text{if } y_i^* \leq 0 \end{cases} \quad (2)$$

Where  $y^*$  is a latent (unobserved) variable,  $y$  is the observed A variable that equals 1 if someone is their own boss and 0 if they are not.  $X$  is a group of things that can affect whether someone works for themselves. We used a special math method to see what factors affect the choices young people make for work in Uganda. Multivariate probit models are helpful to estimate multiple binary dependent variables that are connected together. This model is the best for studying why young people in Uganda choose to work for themselves. We think that working for yourself is related to getting paid a salary and other types of work. We used a model called Multivariate Probit to study three choices people make: starting their own business, working for someone else, or doing something else entirely. Mullahy (2016) created a math equation called the multivariate probit model in this paper.

$$y_{ij}^* = X_i\beta_j + u_{ij} \quad (3)$$

$$y_{ij} = \begin{cases} 1 & \text{if } y_{ij}^* > 0 \\ 0 & \text{if } y_{ij}^* \leq 0 \end{cases} \quad (4)$$

In this model,  $y$  represents the three binary outcomes (job options for Ugandan youth): self-employment, paid work, and other employment. For each sort of work option, the individual is given a binary choice (1 = engage in the employment type, or 0 = otherwise).

This paragraph talks about some numbers and letters used in statistics. The "i" and "j" are just counting numbers we use to look at data. "X" is a group of things that help us understand what's happening, and " $\beta_1$ ", " $\beta_2$ ", and " $\beta_3$ " are other things that are related to the data.

The values of parameters and  $u_{ij}$  are considered unrelated.

The variables are the same in a group (i), but they are connected in another group (j).

We looked at information about self-employed young people and used numbers like percentages, averages, and the highest and lowest values to describe them.

The paper looks at information gathered by the Uganda Bureau of Statistics in 2015 from 88 districts about what happens when student finish school and begin their careers.

Uganda the survey took information from almost 80% of all areas in the country and asked everyone between 15 and 30 years old in each household. However, this study only looks at information from young people who have jobs. We gathered information about people's age, gender, whether they are married and have children, how much money they have, how much schooling they've had, if they have a job or work for

themselves, why they started their own business, how they got money to start their business, how much money they've made recently, and what their biggest problem is.

An MVP (Multivariate Probit) Model is used in the investigation. Three outcome option variables- self-employment, paid work, and paid both employment and additional employment. The option to engage in a certain occupation type is one of the dependent variables' binary outcomes.

People can either be looking for a certain type of job (1) or not looking for it at all (0).

Self-employed people are those who own and run a business by themselves or with someone else. It can be any type of business, big or small. When people decide to work for themselves, they think about a lot of different things, like their age, the economy, and things that aren't related to money. Therefore, the things that decide whether someone works for themselves could include:

How old someone is. As people get older, they usually have more experience, know more things, and have more money to start a business. So we would expect the number to be positive. Some experts say that as people get older, they often work hard to support themselves and their family. As people get older, they may earn less money if they work for themselves instead of getting a regular job. Regular jobs usually pay more as a person gets older.

As per the human-capital theory. This means that there is not much reason to start your own business, which can be dangerous.

**Gender** - whether someone is a boy or girl, man or woman. This is a make-believe variable that represents males and is given the value 1, while females are represented by the value 0.

Due to their greater risk tolerance and propensity for dangerous activities, men are more likely than women to be self-employed.

For girls or women. We expect to see a minus sign in front of the number. This happens because

New businesses that are started by individuals without working for someone else. Women may like having job that pays them regularly because they are careful and don't like taking chances. Many people agree that this idea is true, including Blanch flower and Meyer in 1994, Dawson and others in 2009, Livens in 2009, and Parker in 2004.

How many kids there are? We think the number we get will be negative because having more children means there are more people who rely on someone else for support. So, taking care of their family may stop them from working for themselves because they might not want to do anything that could be dangerous.

This means if you are married or not. A dummy variable is a number that is either 1 if someone is married or 0 if they are not. A positive result is likely because getting married can give more support from family, which makes it less risky to start a business on your own.

Money and how much of it a person has. This is measured using three categories: rich, middle, and poor. Each category is given a 1 if an individual is in that category and a 0 if they are not. We leave out an "average" group of wealth to make sure our calculations are accurate. Rich people are likely to work for themselves more often than poor people because having money can help you start a business.

Finance is important for businesses to have enough money to operate and grow. It also helps to overcome any obstacles in accessing money.

The people who are poor and are challenged with difficult circumstances. There are three categories of education in a school: little or none, middle, and high. Each person is put into one of these categories and given a score of 1 or 0 depending on which category they fall into. This means that people who work as employees usually make more money than people who work for themselves. So educated people might choose to be employees instead of starting their own business. Other studies have found this to be true as well. So, "hence" might mean a number that is not positive. But, education can help people learn more and gain useful skills for being self-employed, so we might expect a good outcome. However, Blanch flower

(2000) found that people with less education are more likely to work for themselves. People who have gone to school for a long time are more likely to work for themselves. In the data analysis, we left out the group of people who went to university so we wouldn't have any errors in the results.

A variable that is either 1 (yes) or 0 (no) to show if someone wants to be more independent. We are hoping to see a good or positive result. Wanting more freedom can make it more likely that someone will work for themselves.

### **People expect to make more money. We think something good will happen in the future.**

When people make more money from working for themselves than working for someone else, it encourages them to keep working for themselves. We expect this to happen.

**Being without a job. We create a pretend variable to represent when something doesn't work.** Using the amount of money someone gets paid for their job to measure how many people are without work. If someone starts working for themselves because they can't find a job that pays them regularly, we give them a score of 1. If they start their own business for other reasons, we give them a score of 0. We expect a positive result because if there are not enough jobs that pay a salary, young people may choose to work for themselves. Carrasco (1999) discovered that when someone is out of work, they are more likely to start their own business. But, this also means that they have a higher chance of having to stop their own business and go back to being unemployed. So, we might see a minus sign in front.

### **Work hours that can be adjusted or changed to fit an individual's schedule. This variable is fake and it has a value of 1.**

If people want to have more control over when they work, they may choose to work for themselves instead of someone else. We expect a positive result because people who work for themselves are more likely to have flexible hours compared to people who are employed and have set hours they have to work.

Descriptive statistics is an area of study that deals with summarizing and analyzing data using numerical measures and graphical tools.

Table 1 shows information about the things we studied in this research. From Table 1, it appears that almost 60% of young people have jobs. Most young people prefer to work for themselves (self-employment) instead of getting a job where they are paid by someone else. About 38.5% of young people work for themselves, while 36.5% have a paid job and 25.2% work without getting paid. Many young people can't find jobs that pay them, so they start their own businesses or do work for their families without getting paid. Most young people are around 20 years old. 49.5 out of every 100 young people are boys. One third of young people who are married make up 34.8% of all young people. On average, each young person has one child. Most young people are not very wealthy (57.9%)

<b>Table 1: Description and summary statistics of variables used in the analysis</b>		
<b>Variable description</b>	<b>2015</b>	
	<b>Mean</b>	<b>SD</b>
Employment status (1=employed;0=unemployed)	0.5960	0.4907
Type of main job/activity		
Paid employee (working for someone else for pay in cash or kind) (1=yes)	0.3635	0.4470
Self-employed (employing one or more employees, Own-account worker, and	0.3849	0.4737
Other employment (helping without pay in the business of farm of a family member and	0.2516	0.4131
Age (completed years lived at the time of the survey in 2015)	20.6075	4.8614
Sex (1=Male; 0=Female)	0.4949	0.5000
Marital status		
Married (1=yes)	0.3482	0.4764
Number of children currently living	1.077	1.6686

Household's overall financial situation		
Well-off (1=yes)	0.114	0.3185
Average (1=yes)	0.3062	0.4609
Poor (1=yes)	0.5793	0.4937
Have ever attended formal schooling/training programme (1=yes)	0.9332	0.2496
Currently in school or attending training program		
Yes	0.4125	0.4923
No, I have completed my education	0.0724	0.2592
No, I left before completing	0.5151	0.4998
Highest level of completed formal education/ training		
Primary education	0.8064	0.4396
Completed secondary (either S4 or s6 or	0.1321	0.3386
Completed tertiary/higher Education	0.0615	0.2402
Major reasons for self-employment		
Could not get a salary job (1=yes)	0.3370	0.4728
Greater independence (1=yes)	0.2167	0.4121
Flexible hours of work (1=yes)	0.0492	0.2162
High incomes (1=yes)	0.1222	0.3276
Family requirement (1=yes)	0.2261	0.4184
Other reasons (1=yes)	0.0488	0.2156
Source: Authors' calculations based on Uganda's 2015 School-to-Work Transition survey		

Out of all the young people, only a small group of 11. 4% are doing financially well. This supports the idea that Uganda is a country that is becoming more advanced and improving. Almost all young people in Uganda have gone to school (93. 3%), but more than half of them (51. 51%) did not finish. Some are still studying (41. 3%) and only a small number (7%) have completed school. Most young people (about

80. 6%) finished primary school or less, about 33. 9% finished high school, and only a few (about 2. 4%) finished university 3375% of self-employed people couldn't find a job that pays them regularly. 217% wanted to work independently. 49% wanted to work at flexible times. 122% thought they could earn more money by being self-employed. 226% had to start their own business for their family. Primary education means that someone has finished their basic education or less, and secondary education means that someone has finished their high school education or more. The missing group in education are people who have advanced degrees or diplomas. "Being rich or poor is just a way of describing how much money someone has. " The missing group of people in the wealth groups is the one that has an average amount of money. Not having a job that pays a regular salary means someone is likely not employed.

Table 2 shows how the different things are connected to each other. As we get older, have more money, finish school, want more freedom, aim for higher pay, and prefer a flexible schedule, we are more likely to work for ourselves. Being a female, having more children, not being married, being poor, and not having a paying job are linked to a lower likelihood of being self-employed. Most people think that if you can't find a job where you get paid regularly, then you should try to start your own business. But this idea is not correct.

What makes young people in Uganda start working for themselves.

Table 3 shows the findings about what factors influence people to work for themselves in Uganda, using a certain way of looking at the data. The study found that more people become self-employed as they get older. Older people are slightly more likely to work for themselves than young people. This difference is important and confirmed by statistical analysis. This study agrees with other studies (Blanch flower, 2000; Blanch flower and Meyer, 1994; Blanch flower et al. , 2001) that found that being older increases the likelihood of being self-employed. As people get older, they often start working for themselves to support their family. This can be a good thing for them. Additionally, people who are older might have the skills and money needed to be successful when working for them selves. If you have more kids, it's less likely that



you'll have your own business. If you have more kids, there is a less chance that you will work for yourself. The chance decreases by 2. 8% for each extra child. This information is very reliable. This means that young people with lots of kids have a lot of things to do for their family. This might stop them from starting their own business because they don't want to take big chances.

Rich young people are more likely to work for themselves, with a 6% chance, while poor young people have a 9.8% less chance of working for themselves. This is important information. This means that having limited money makes it difficult to start your own business. The results match the findings of Dunn and Holtz-Eakin in 2000, as well as Johansson in 2000. They found that having more money made it more likely for someone to work for themselves. Evans and Jovanovic (1989) agree that not having enough money can make it difficult for someone to start their own business. This is because they may struggle to get the resources they need to get started and may not have enough money to keep the business going.

<b>Table 3: Determinants of self-employment among the youth in Uganda-probit regressions</b>	
Variables	(Self-employment)dy/dx
Age	0.0114*** (0.0031)
Gender	-0.0197 (0.0191)
No of children	-0.0276*** (0.0076)
Marital status	0.0030 (0.0257)
Well-off	0.0599* (0.0337)
Poor	-0.0979*** (0.0210)

<b>Table 2: Matrix of correlations</b>													
Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(1) self-employment	1.000												
(2) age	0.026	1.000											
(3) gender	-0.007	0.031	1.000										
(4) No of children	-0.072	0.635	-0.049	1.000									
(5) Marital status	-0.031	0.388	0.006	0.514	1.000								
(6) Well-off	0.088	-0.048	0.012	-0.086	-0.062	1.000							
(7) Poor	-0.124	-0.041	-0.009	0.017	-0.085	-0.382	1.000						
(8) Primary education	-0.082	-0.084	-0.038	0.106	0.051	-0.108	0.166	1.000					
(9) Secondary education	0.090	0.061	0.031	-0.071	-0.048	0.053	-0.092	-0.799	1.000				
(10) Independence	0.002	0.028	0.023	0.001	-0.054	0.075	-0.172	-0.176	0.117	1.000			
(11) Higher-income	0.137	-0.072	0.028	-0.169	-0.132	0.056	-0.010	-0.037	0.015	-0.183	1.000		
(12) Flexible work hours	0.071	-0.010	-0.025	-0.043	-0.037	0.049	0.014	0.030	-0.009	-0.105	-0.071	1.000	
(13) Lack of a salary job	-0.045	-0.052	0.025	-0.064	-0.069	0.005	0.005	0.013	-0.011	-0.389	-0.261	-0.150	1.000
Primary education									0.0455 (0.0440)				
Secondary education									0.1565*** (0.0513)				
Independence									0.0105 (0.0282)				
Higher-income motive									0.2256***				
Flexible work hours									0.2041*** (0.0541)				

Lack of a salary job	0.0041
	(0.0242)
n	2574
Log pseudo likelihood	-1660.93
Chi <sup>2</sup> (12) (P-value)	138.97 (0.000)
Note: dy/dx refers to marginal effects from the probit regression. Figures in parentheses stand for Robust standard errors, ****, **, * stand for statistical significance at 1%, 5%, and 10% levels, respectively. Primary education is a dummy variable for completed primary education or less, and secondary education is a dummy variable for completed secondary education. The omitted category for education is those that have higher education qualifications. Well-off and poor are dummy variables for wealth/financial status. The omitted category of the wealth category is the average category. Lack of a salary job is a proxy for unemployment	

In Uganda, young people often don't have their family's help or a way to lessen the danger of starting their own business.

This means that wanting to be more independent does not affect the decision to work for oneself. To look at people who don't have a job that pays, we pretended they had a fake job with no salary. Even though it's good news, not having a job that pays a salary doesn't matter much. When there is more unemployment, some people start their own businesses, but they might also have a bigger risk of losing their business and becoming unemployed again. This means that sometimes unemployment can help people start their own businesses, but other times it can make it harder. Overall, the effect is not very big.

Table 4 shows the findings from a statistical analysis called multivariate probit regression. Looking at working for yourself, the findings from the analysis match the ones listed in Table 3 (a type of analysis) in terms of importance. Being your own boss is more common among older people who are financially secure, have completed high school, want to make a lot of money, and prefer a schedule that allows for more freedom. Having a lot of children and being poor makes it unlikely to own your own business. If you have more education and money, you are more likely to have a job that pays you. But if you want to be more independent, make a lot of money, have flexible hours, or don't have a salary job, you are less likely to have a job that pays you. Volunteering or doing work that you don't get paid for is often linked to not being married, being poor, wanting to be more independent, or not having a job that pays. However, it is linked to having more education.

We asked young people who work for themselves where they got the money to start their businesses and keep them going. The results are shown in Picture 1. More than half of young people who work for themselves (54. 7%) used their own money to start their business, while a good amount (40. 5%) say they relied on money from their loved ones to start their businesses. Only a few young people who work for themselves (2. 3%) got their first money from loans from banks or other places. This is because the loans can have very high interest and fees that are hard to understand. Only a very small number (less than 1%) of young people who work for themselves got help from the government or non-profit groups to start their own businesses. Businesses are mostly funded and managed by the owners and their family's money. This accounts for around 54. 7% and 405%, respectively The results are similar to a study by Blanch flower and Oswald in 1998. They found that people who started businesses used their own money or their family's money, not money from a bank.

Many young people who work for themselves don't have enough money (about 24. 2%) Most of the time, they use their own money to start and run their businesses. Not having enough money is caused by loans that have high interest rates, which could have been a way to get money. Also, young people can't get money because they don't have anything valuable to use as a guarantee, and sometimes banks charge money without explaining why. Blanch flower and Oswald (1998) found that being self- employed is difficult because it's hard to get enough money to start. Competition between businesses is a big issue, and 13. 2% of young people who work for themselves say it's their main problem. The biggest challenge for self- employed people is getting paid by customers or clients. This is cited by 45. 2% of them. This means that young people have different issues besides the ones shown in Figure 2. A study looking at how much money young

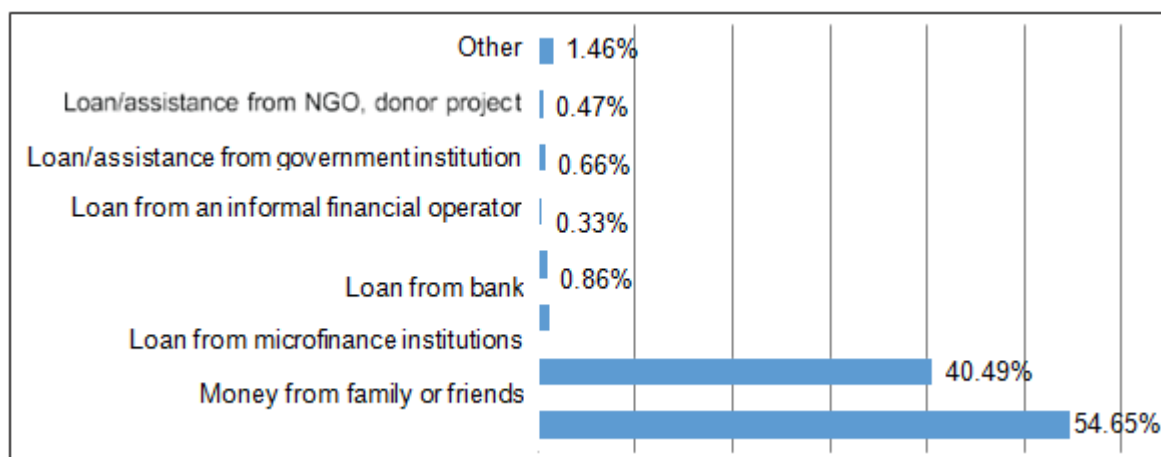
people make each month, and comparing those who work for themselves versus those who work for someone else.

The young people who work for themselves were asked how much money they earned from their main job last month. Young people who have jobs and get paid were asked how much money they earned in the last month. Figure 3 shows what we discovered. The results show that not all young people who work for themselves make money. Some actually lose money (about 2. 4%), while others only make enough to cover their expenses (17. 9%) "Many people start businesses to make money, and a new study shows that 20. 3% of young people who work for themselves may also be called 'disguised' because they are not officially registered as a business. "

**Table 4: Determinants of self-employment among the youth in Uganda-Multivariate probit model**

Variables	(1) (self-employment)	(2) (paid-employment)	(3) (unpaid-employment)
Age	0.0304*** (0.0084)	-0.0039 (0.0088)	0.0053 (0.0087)
Gender	-0.053 (0.0509)	0.0418 (0.0536)	-0.0021 (0.0533)
No of children	-0.0706*** (0.0206)	-0.0062 (0.0219)	0.0075 (0.0217)
Marital status	-0.0018 (0.0678)	0.0097 (0.0700)	-0.1884*** (0.0707)
Well-off	0.1618* (0.0895)	0.3139*** (0.0892)	-0.0416 (0.0908)
Poor	-0.2737*** (0.0567)	-0.0569 (0.0602)	-0.2378*** (0.0592)
Primary Education	0.1551 (0.1173)	0.6241*** (0.1519)	0.6471*** (0.1543)
Secondary education	0.4299*** (0.1366)	0.3639** (0.1723)	0.4908*** (0.1706)
Independence	0.0132 (0.0754)	-0.7360*** (0.0842)	-0.1901** (0.0795)
Higher-income motive	0.5882*** (0.0989)	-0.3968*** (0.0987)	-0.0322 (0.0954)
Flexible work hours	0.5205*** (0.1445)	-0.7357*** (0.1493)	0.1941 (0.1390)

Sources of funding for self-employment activities are shown in Figure 1.



Source: Authors' calculations based on Uganda's 2015 School-to-work transition survey

These are people who work for themselves. Almost 80% of young people who work for themselves belong to this group.

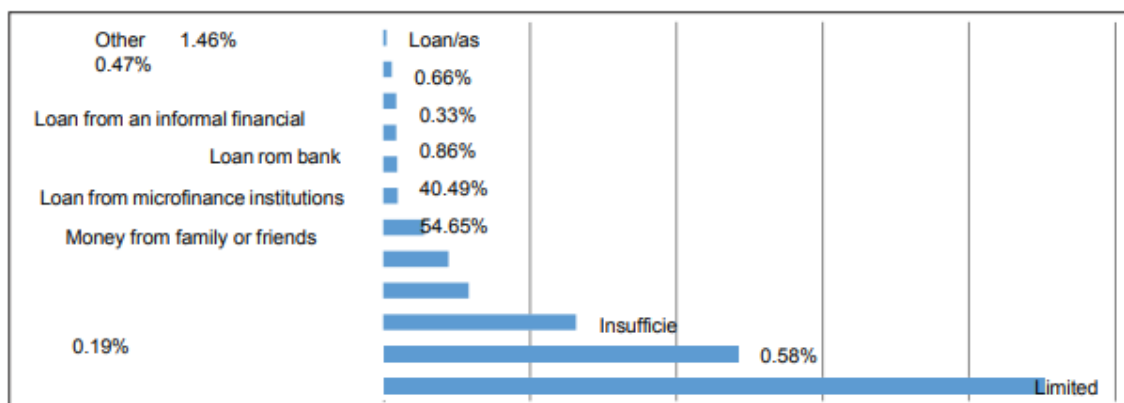
### Earn some money.

In Uganda, people need at least 135,000 Ugandan shillings per month to survive. This is because the poverty line is set at \$1.25 USD and the exchange rate is 4,500 Ugandan shillings for \$1 USD. The survey showed that many young people who work for themselves earn less money than they need to be above the poverty line. About 78.8% of them earn less than UGX 135,000 every month.

The survey found that most young people who have a job earn less than UGX 135,000 a month, which means they are living in poverty. Almost a quarter of all Ugandans are poor, and many of them are young people. The number of young people who work for themselves and those who work for someone else and have a low income is almost equal. For those who work for themselves, it is 78.8%, and for those who work for someone else, it is 80.6%. Even young people who make between UGX 135,000 and UGX 400,000, or more than UGX 400,000, are included.

The amount of money earned by young people who work for someone else and those who work for themselves is almost equal. This means that people who get paid by someone else and those who work for themselves earn about the same amount of money. Many young people who have jobs and get paid are poor because some work in houses and get paid very little money. Among adolescents, especially those with mental health issues, is a cause for concern. Many young people are hurting themselves intentionally, which can have serious consequences. This is a problem that needs attention.

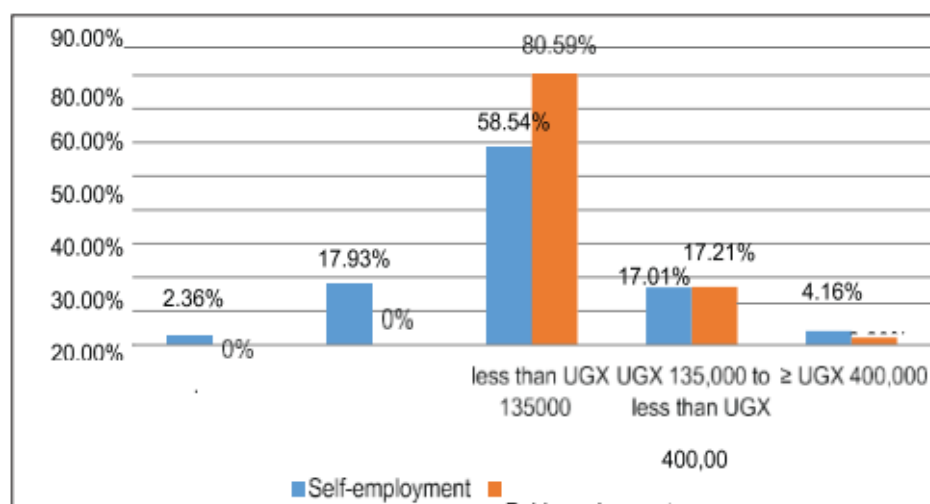
**Figure 2: The biggest issue you have with your business**



Based on Uganda's 2015 School-to-Work Transition Survey, the authors' estimations.

**Figure 3: A comparison of monthly earnings of paid employed and self-employed youth**

Based on Uganda's 2015 School-to-Work Transition study, the authors' estimations.





A unstable and difficult business climate in Uganda may be indicated by employed youngsters living below the poverty line.

## CONCLUSION AND POLICY RECOMMENDATIONS

We need to know about what makes young people start their own businesses, what problems they face, how well they're doing, and what they're like in general. This information will help us make policies that can help the youth who need it most. This research shows that many young people who have jobs work for themselves. Most young people were not well-off and did not finish school beyond primary level. Many young people choose to work for themselves because they can't find a job that pays a regular salary. They also like being able to work when they want to and make more money. Some may have to support their families on their own. Most young people started their own businesses using their own money that they saved up or money given to them by their family, rather than getting loans from a bank. Young people often deal with difficult challenges that go beyond money and job competition. These same problems can affect those who are self-employed. We want to point out that working for on eself doesn't make much money right now. Unfortunately, 203% of young people who work for themselves don't earn any profit from their businesses.

"Efforts" means working hard to achieve a goal or complete a task. Around 8 out of 10 young people who work for themselves are very poor. Studies showed that people are more likely to work for themselves if they are older, have enough money, went to school, want to make a lot of money, and want to have a flexible schedule. Being poor and having a lot of kids when you're young makes it harder to start your own business or work for yourself. To help more people make money, the government should support starting your own business. This can create jobs for people who don't have them and provide opportunities for people to make more money. So, we suggest that the government of Uganda should provide cheaper loans to young people. We need to teach young people how to use their money wisely and be good at competing in the market. One way to do this is to help them start their own businesses. Business incubators help young people start and grow their businesses by giving them advice on money, teaching them, and introducing them to people who can help give them money. This way, they can make their businesses last and do well. The government needs to create jobs for young people, especially those who are just starting out in their careers.

This means that people who have lots of children, are poor, or did not finish school may find it difficult to start and keep their own businesses. This action will help create fairness and everyone will benefit together.

If you want to work for yourself and be your own boss when you're older, it's not a good idea to have a lot of children when you're young. It's better to plan when to have children so you can wait until you have a good job first. So, the government should make sure people can get birth control and family planning help. The government needs to make education better for young people, from primary school up to university, so they can learn more and create successful businesses that last a long time.

If young people follow the advice and work hard, being self-employed can help them make enough money to avoid living in poverty.

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